

105TH CONGRESS  
1ST SESSION

# S. 1424

To amend the Internal Revenue Code of 1986 to modify the air transportation tax changes made by the Taxpayer Relief Act of 1997.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 7, 1997

Mr. MURKOWSKI (for himself, Mr. AKAKA, Mr. STEVENS, and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the air transportation tax changes made by the Taxpayer Relief Act of 1997.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFICATIONS TO AIR TRANSPORTATION TAX**  
4 **CHANGES MADE BY TAXPAYER RELIEF ACT**  
5 **OF 1997.**

6 (a) **ELIMINATION OF INFLATION ADJUSTMENT FOR**  
7 **TAX ON CERTAIN USE OF INTERNATIONAL TRAVEL FA-**  
8 **CILITIES.**—Section 4261(e)(4) of the Internal Revenue

1 Code of 1986 (relating to inflation adjustment of dollar  
2 rates of tax) is amended—

3 (1) in subparagraph (A), by striking “each dol-  
4 lar amount contained in subsection (c)” and insert-  
5 ing “the \$12.00 amount contained in subsection  
6 (c)(1)”, and

7 (2) in subparagraph (B)(ii), by striking “the  
8 dollar amounts contained in subsection (c)” and in-  
9 serting “the \$12.00 amount contained in subsection  
10 (c)(1)”.

11 (b) MODIFICATION OF RURAL AIRPORT DEFINI-  
12 TION.—Subclause (I) of section 4261(e)(1)(B) of the In-  
13 ternal Revenue Code of 1986 (defining rural airport) is  
14 amended by inserting “(or is so located but is not con-  
15 nected to such other airport by paved roads)” after  
16 “clause (i)”.

17 (c) IMPOSITION OF TICKET TAX ON SEGMENTS TO  
18 AND FROM ALASKA OR HAWAII OR WITHIN ALASKA OR  
19 HAWAII AT RATE IN EFFECT BEFORE THE TAXPAYER  
20 RELIEF ACT OF 1997.—Section 4261(e) of the Internal  
21 Revenue Code of 1986 (relating to special rules) is amend-  
22 ed by adding at the end the following:

23 “(6) SEGMENTS TO AND FROM ALASKA OR HA-  
24 WAII OR WITHIN ALASKA OR HAWAII.—Except with  
25 respect to any domestic segment described in para-

1 graph (1), in the case of transportation involving 1  
2 or more domestic segments at least 1 of which be-  
3 gins or ends in Alaska or Hawaii or in the case of  
4 a domestic segment beginning and ending in Alaska  
5 or Hawaii—

6 “(A) subsection (a) shall be applied by  
7 substituting “10 percent” for the otherwise ap-  
8 plicable percentage, and

9 “(B) the tax imposed by subsection (b)(1)  
10 shall not apply.”.

11 (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall take effect as if included in the amend-  
13 ments made by section 1031 of the Taxpayer Relief Act  
14 of 1997.

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